The Fringe Benefits Tax Assessment Act 1986 ("FBTAA") is to be used to calculate the value of certain benefits provided to an employee for the purpose of including those benefits on an employee’s payment summary.

Whilst the fringe benefits amount included on a payment summary will not create a liability for income tax or fringe benefits tax on the employee, it will nevertheless impact on the calculation of various surcharges and rebates usually based on taxable income levels, including:

- Medicare levy surcharge;
- Child support payments;
- higher education contributions scheme (HECS) or higher education loan programme (HELP) repayments; and
- Entitlements to government benefits.

It is the “grossed up” taxable value of fringe benefits received that is included on the payment summary for each employee, but only if the taxable value exceeds $1,000. All fringe benefits will be grossed up at the Type 2 gross up rate of 1.8692 for reportable fringe benefit purposes.

The reportable fringe benefits system captures benefits provided by the University to an associate of an employee, as well as benefits provided by an associate of the University to an employee.

The exemptions from reportable fringe benefits are:

- “meal entertainment” (Refer to Part 4.4);
- car parking fringe benefits that are not an expense payment fringe benefit (Refer to Part 4.3);
- a fringe benefit that’s taxable value is attributable to entertainment facility leasing expenses;
- a remote area residential fuel or remote area housing fringe benefit (Refer to Part 4.6);
- related to travel or freight costs for foodstuffs to a major population centre in Australia provided the employees reside in a location that is not in or adjacent to and eligible urban area; and
- those fringe benefits that are already exempted under the FBTAA.

Benefits that are provided in the period 1 April to 31 March must be included on payment summaries for the subsequent income tax year ending 30 June.